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Labor Market Digest, May 1987

Maine Bureau of Employment Security

Maine Division of Manpower Research

Maine Labor Market Research

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BUREAU OF EMPLOYMENT SECURITY

Division of Economic Analysis and Research

**LABOR MARKET
DIGEST**

MAY 1987

A Labor Market Information Newsletter on Maine Economic Activity

Maine Construction Industry Booms

Contract construction has three major groups - general building contractors, heavy construction contractors, and special trades contractors. General building contractors are involved in building residential, commercial, and industrial structures. This group is the fastest growing segment of Maine's construction industry, with employment growth of nearly 90 percent from 1983 through 1986. General building construction increased from 5,400 in 1983 to 10,100 in 1986. The second group, special trades contractors, performs one specific part of the construction process, be it plumbing, roofing, well drilling, or another specialized field. Special trades employment grew from 8,200 in 1983 to 12,600 in 1986. The third group, heavy construction contractors, includes the construction of highways and streets; bridges and tunnels; and water, sewer, and utility lines. Due to large capital and project costs, this industry group relies to a great extent on federal funds. Slow growth in federal highway funding has been exacerbated by an eighteen-month impasse (since settled) between Congress and President Reagan over a comprehensive highway-funding bill. As a result, heavy construction employment in Maine grew by less than 23 percent, or from 3,300 to 4,100 from 1983 to 1986. The recent passage of the highway funding bill, however, may offer improved prospects for this industry group.

Growth for all contract construction in Maine was 59 percent from 1983 to 1986. This was more than double the national growth of 26 percent. However, the growth of construction employment has been slowing. While construction employment grew by 21 percent from 1983-1984, by 1986 the rate of growth had slowed by 50%.

Declining growth probably is not as negative as it appears to be. As interest rates, which had risen steadily from 1979 to 1982, finally fell in 1983, a dam of pent-up demand burst. Falling interest rates continued to fuel demand and only recently have national new home starts leveled off. According to

continued on page 2 ...

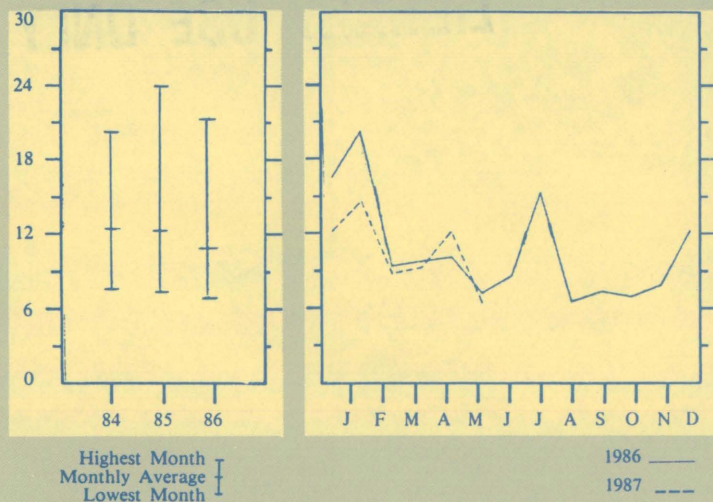
Labor Market Information Services



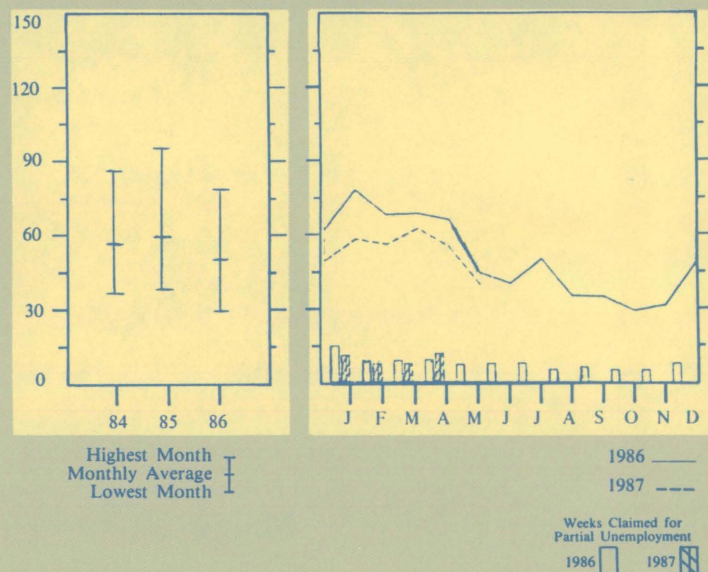
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UI Initial Claims in Thousands



UI Intrastate Weeks Claimed in Thousands



...continued from page 1

the Federal Home Loan Bank, national contractor interest rates for new home construction reached a high of 14.5 percent in 1982, then fell to 12.2 percent in 1983, 11.9 percent in 1984, 11.1 percent in 1985, and 9.8 percent in 1986. Now that the rush of pent-up demand has ebbed, it appears that continued gains in construction employment are dependent to a great extent on the ability of the Maine economy to grow, assuming interest rates remain low.

Contract construction is a highly seasonal industry. Employment levels tend to rise in the spring, peak in late summer, then gradually fall until they reach their lowest levels during the first quarter of a year. For example, during 1986 annual average employment in construction was 26,800. The lowest employment level of the year occurred in February, when there were 20,900 workers employed. Employment peaked in August at 30,900, reflecting a gain of 10,000 from February. These seasonal openings in construction offer an alternative to employment other than the retail trade and service jobs which are typically available during the summer months. These seasonal jobs will be in many occupations, some requiring a high skill level and possibly a license, while others may require rudimentary entry-level skills. The most common occupation found in the construction industry is carpenter. Other common occupations include electricians, plumbers and pipefitters, painters and paperhangers, construction trades helpers, and truck drivers.

The contract construction industry in Maine is currently in a boom cycle. Growing at twice the national average, the industry has reached record levels of employment. However, the industry is sensitive to interest rates, the economic cycle, government policy and other factors making it difficult to predict the industry's future with any certainty. Based upon early 1987 data, it appears the contract construction industry is headed towards healthy employment gains again this year.

see chart on page 6 ...

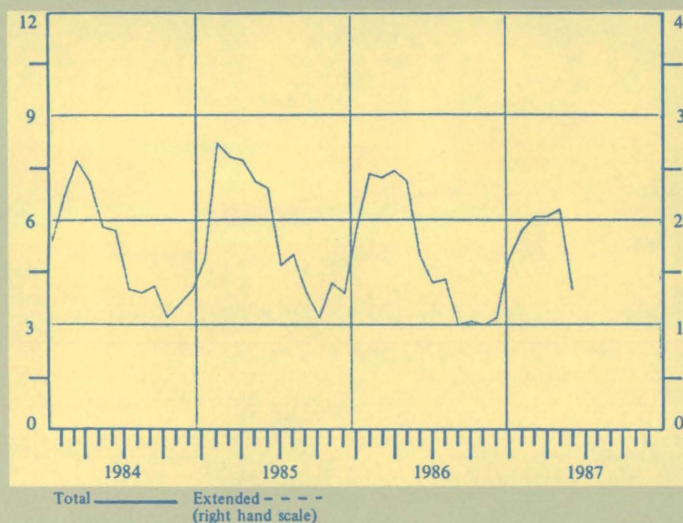


Selected Employment Security Activities



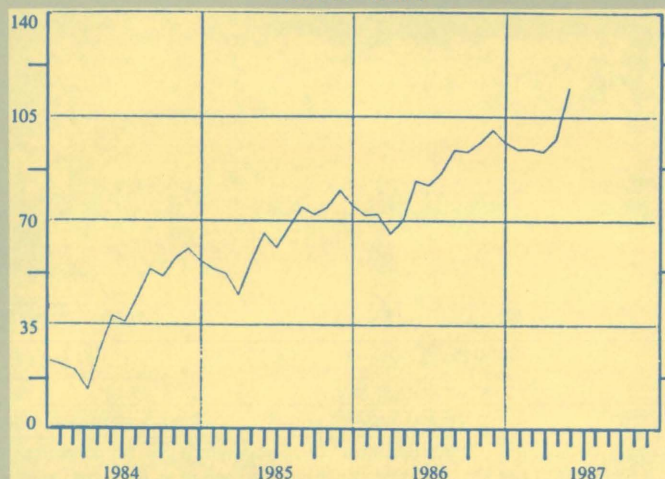
UI Benefit Payments in Millions

(Total Includes Maine's Portion of Extended Benefits)



Unemployment Compensation Fund Balance in Millions

(End of Month)



Nonfarm Wage and Salary Employment by Place of Work in Thousands

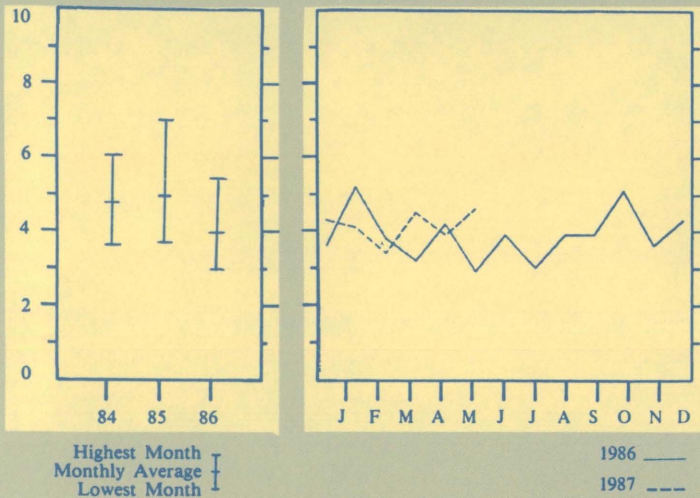
ITEM	STATEWIDE			PORTLAND MSA			LEWISTON-AUBURN MSA		
	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago
Total Nonfarm Wage and Salary Employment ^{1/}	493.9	486.4	474.5	118.6	117.3	115.3	39.0	38.4	38.2
Total Manufacturing	101.6	100.7	103.1	15.7	15.9	16.7	10.1	9.9	10.3
Durable Goods	45.1	44.8	44.0	7.4	7.6	8.3	2.8	2.8	2.8
Lumber and Wood Products ^{2/}	12.2	11.7	12.1	0.7	0.7	0.6	0.3	0.3	0.3
Primary and Fabricated Metals	3.8	3.9	3.7	0.6	0.7	0.6	0.8	0.8	0.9
Machinery, except Electrical	3.8	3.8	4.2	2.3	2.3	2.2	0.2	0.2	0.3
Electrical and Electronic Equipment	10.0	10.1	10.2	3.2	3.2	3.8	0.7	0.8	0.7
Transportation Equipment ^{3/}	10.6	10.7	9.5	(d)	(d)	(d)	0.2	0.2	0.2
Other Durable Goods ^{4/}	4.7	4.6	4.3	0.6	0.7	1.1	0.6	0.5	0.4
Nondurable Goods	56.5	55.9	59.1	8.3	8.3	8.4	7.3	7.1	7.5
Food and Kindred Products	7.1	7.4	7.6	2.0	2.0	2.0	0.8	0.8	0.8
Textile Mill Products	6.9	6.6	6.8	n/a	n/a	n/a	1.2	1.1	1.2
Apparel	3.3	3.3	4.4	n/a	n/a	n/a	n/a	n/a	n/a
Paper and Allied Products	17.2	17.2	17.6	(d)	(d)	(d)	0.5	0.5	0.5
Printing and Publishing	4.9	4.9	4.9	n/a	n/a	n/a	0.6	0.6	0.6
Rubber and Misc. Plastic Products	3.5	3.5	3.8	n/a	n/a	n/a	1.7	1.7	1.7
Leather and Leather Products	12.4	12.0	12.8	1.5	1.5	1.6	2.3	2.2	2.5
Footwear (except Rubber)	10.3	9.9	10.7	n/a	n/a	n/a	1.8	1.7	1.9
Other Leather Products	2.1	2.1	2.1	n/a	n/a	n/a	0.5	0.5	0.6
Other Nondurable Goods ^{5/}	1.2	1.0	1.2	4.8	4.8	4.8	0.2	0.2	0.2
Total Nonmanufacturing	392.3	385.7	371.4	102.9	101.4	98.6	28.9	28.5	27.9
Mining	0.1	0.1	0.1	*	*	*	*	*	*
Contract Construction	30.7	28.7	27.3	7.5	7.2	7.5	1.9	1.7	1.9
Transportation and Public Utilities	19.7	19.4	19.0	6.1	6.1	5.8	1.4	1.4	1.4
Wholesale Trade	24.1	23.7	22.9	8.9	8.8	8.8	1.8	2.0	1.9
Retail Trade	97.3	93.8	92.2	26.0	25.3	24.5	7.3	7.2	7.0
Finance, Insurance and Real Estate	24.0	23.5	22.6	11.7	11.5	10.8	2.2	2.1	2.0
Services	106.8	104.5	100.4	28.3	27.4	26.8	10.3	10.1	9.8
Government	89.6	92.0	86.9	14.4	15.1	14.4	4.0	4.0	3.9
Federal	18.1	18.1	18.3	1.8	1.9	1.8	0.3	0.3	0.3
State and Local ^{6/}	71.5	73.9	68.6	12.6	13.2	12.6	3.7	3.7	3.6
Involved in Labor-Management Disputes	0.0	0.0	0.8	0.0	0.0	0.3	0.0	0.0	*

^{1/} Employment figures relate to full- and part-time wage and salary workers in pay periods including the 12th of the month. Domestic workers in private households, proprietors, self-employed, and unpaid family workers are excluded. ^{2/} Lumber and wood products and furniture and fixtures are combined in the Portland and Lewiston series. ^{3/} Transportation equipment and instruments are combined in the Lewiston series. ^{4/} Includes Standard Industrial Classification (SIC) codes: Statewide - 25, 32, 38, 39; Portland - 32, 38, 39; Lewiston - 32, 39. ^{5/} Includes SIC codes: Statewide - 28, 29; Portland - 22, 23, 26, 27, 28, 29, 30; Lewiston - 23, 28, 29, 30. ^{6/} Regular teachers are included in summer months whether or not specifically paid in those months. n/a - data not available in sufficient detail for publication. *Less than 50. (d) Nondisclosure item.

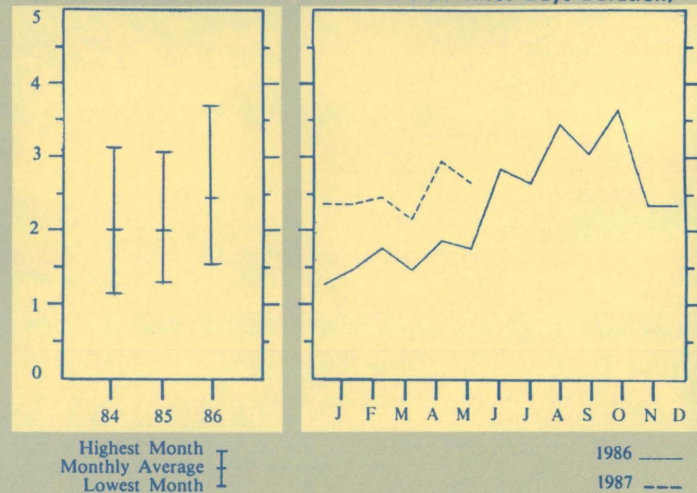
THESE DATA ARE DEVELOPED BY THE MAINE BUREAU OF EMPLOYMENT SECURITY IN COOPERATION WITH THE U.S. BUREAU OF LABOR STATISTICS.

Nonfarm Placements

New Applications For Work in Thousands



in Thousands (Excludes Placements of Less than Three Days Duration)



Earnings and Workweek of Production Workers in Manufacturing Industries

AREA AND INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS			ANNUAL AVERAGE HOURLY EARNINGS		
	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago	1986	1985	1984
STATEWIDE												
Manufacturing	\$361.50	\$361.38	\$347.09	41.6	41.3	40.5	\$8.69	\$8.75	\$8.57	\$8.65	\$8.40	\$8.05
Durable Goods	350.06	349.40	346.49	42.9	42.3	41.2	8.16	8.26	8.41	8.52	8.46	8.22
Lumber and Wood Products	311.41	312.08	296.12	42.6	41.5	40.9	7.31	7.52	7.24	7.74	8.06	7.57
Primary and Fabricated Metals	367.65	363.79	365.94	42.8	42.9	42.7	8.59	8.48	8.57	8.58	8.25	7.89
Machinery, except Electrical	402.32	395.54	398.93	43.4	42.9	40.5	9.27	9.22	9.85	9.62	9.11	8.36
Electrical and Electronic Equipment ..	325.19	317.15	304.96	40.7	39.3	38.7	7.99	8.07	7.88	7.94	7.57	7.56
Other Durable Goods	384.42	390.60	412.38	44.7	45.0	43.5	8.60	8.68	9.48	9.41	9.50	9.51
Nondurable Goods	371.08	371.39	346.73	40.6	40.5	39.9	9.14	9.17	8.69	8.76	8.31	7.95
Food and Kindred Products	264.25	252.65	249.90	36.1	34.8	35.0	7.32	7.26	7.14	7.00	6.63	6.46
Textile Mill Products	296.12	285.37	292.17	41.3	39.8	42.1	7.17	7.17	6.94	7.04	6.64	6.13
Apparel	218.58	225.45	194.59	37.3	37.7	33.9	5.86	5.98	5.74	5.73	5.83	5.55
Paper and Allied Products	601.61	603.19	577.30	45.2	45.8	46.0	13.31	13.17	12.55	12.70	12.25	11.62
Leather and Leather Products	237.89	243.96	220.95	37.7	38.0	36.4	6.31	6.42	6.07	6.05	5.93	5.80
Other Nondurable Goods	339.36	333.28	308.51	40.4	40.3	39.3	8.40	8.27	7.85	8.00	7.51	7.11
PORTLAND MSA												
Manufacturing	371.79	367.20	357.89	40.5	40.0	38.4	9.18	9.18	9.32	9.17	8.90	8.08
LEWISTON-AUBURN MSA												
Manufacturing	294.19	296.94	272.90	40.3	40.4	38.6	7.30	7.35	7.07	7.19	6.78	6.58

Female Labor Force in Maine in Thousands

ITEM	This Month	Last Month	Year Ago
Labor Force	249.9	244.7	244.6
Unemployed	11.5	13.5	14.1
(Percent)	4.6%	5.5%	5.8%
Resident Employed	238.4	231.3	230.5

U.S. Consumer Price Index

BASE PERIOD	This Month	Last Month	Year Ago	Last Dec.
(1967=100) All Items (CPI-U)	338.7	337.7	326.3	331.1

Percent Change for Past Month	+0.3%
Percent Change from Last December	+2.3%
Percent Change from 12 Months Ago	+3.8%

Labor Force, Employment and Unemployment

in Thousands

AREA 1/	LABOR FORCE 2/			RESIDENT EMPLOYED			UNEMPLOYMENT Number			UNEMPLOYMENT Percent of Labor Force		
	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago
MAINE-Statewide.....	566.3	554.3	559.6	543.7	524.9	530.2	22.6	29.4	29.4	4.0	5.3	5.3
MAJOR LABOR MARKETS												
Bangor MSA.....	39,500	39,700	39,000	37,900	37,900	37,100	1,600	1,800	1,900	4.1	4.5	4.9
Lewiston-Auburn MSA.....	40,500	40,000	40,400	38,500	37,600	37,900	2,000	2,400	2,500	4.9	6.0	6.2
Portland MSA.....	118,300	116,200	115,900	115,700	113,200	113,000	2,600	3,000	2,900	2.2	2.6	2.5
Portsmouth-Dover- Rochester MSA 3/.....	129,600	126,700	124,100	127,000	124,000	121,500	2,600	2,700	2,600	2.0	2.1	2.1
OTHER LABOR MARKETS												
Augusta.....	32,060	31,570	32,160	30,650	29,820	30,650	1,410	1,750	1,510	4.4	5.5	4.7
Bath-Brunswick.....	27,080	26,250	25,570	26,070	24,850	24,700	1,010	1,400	870	3.7	5.3	3.4
Belfast.....	10,670	10,340	11,180	10,080	9,510	10,130	590	830	1,050	5.5	8.0	9.4
Biddeford.....	26,050	24,710	25,670	25,230	23,720	24,580	820	990	1,090	3.1	4.0	4.2
Boothbay Harbor-Wiscasset.....	12,630	11,540	12,550	12,320	11,170	12,060	310	370	490	2.5	3.2	3.9
Calais-Eastport.....	13,350	12,970	12,910	11,980	11,340	11,430	1,370	1,630	1,480	10.3	12.6	11.5
Caribou-Presque Isle.....	21,690	21,720	21,780	20,230	19,440	20,060	1,460	2,280	1,720	6.7	10.5	7.9
Central Penobscot.....	2,540	2,410	2,540	2,390	2,240	2,350	150	170	190	5.9	7.1	7.5
Dover-Foxcroft.....	6,280	6,070	6,420	5,980	5,630	6,010	300	440	410	4.8	7.2	6.4
Ellsworth.....	22,280	21,030	22,270	21,310	19,380	20,680	970	1,650	1,590	4.4	7.8	7.1
Farmington.....	11,430	12,160	11,700	10,780	11,250	10,680	650	910	1,010	5.7	7.5	8.7
Fort Kent-Allagash.....	4,860	4,950	4,840	4,260	4,170	4,020	600	780	820	12.3	15.8	16.9
Greenville.....	990	960	1,100	930	860	940	60	100	160	6.1	10.4	14.5
Houlton.....	5,990	5,690	6,050	5,640	5,180	5,580	350	510	470	5.8	9.0	7.8
Kittery-York 3/.....	28,610	27,860	27,860	28,350	27,560	27,580	260	300	280	0.9	1.1	1.0
Lincoln-Howland.....	5,160	4,980	5,400	4,890	4,580	4,920	270	400	480	5.2	8.0	8.9
Livermore Falls.....	4,140	4,050	4,570	3,950	3,800	4,220	190	250	350	4.6	6.2	7.7
Madawaska-Van Buren.....	3,730	3,590	3,590	3,390	3,230	3,250	340	360	340	9.1	10.0	9.5
Millinocket-East Millinocket.....	4,260	4,110	4,330	4,020	3,900	4,030	240	210	300	5.6	5.1	6.9
Norway-Paris.....	11,330	11,310	11,110	10,910	10,670	10,340	420	640	770	3.7	5.7	6.9
Patten-Island Falls.....	2,510	2,420	2,440	2,300	2,120	2,190	210	300	250	8.4	12.4	10.2
Rockland.....	17,790	17,240	17,230	17,270	16,560	16,150	520	680	1,080	2.9	3.9	6.3
Rumford.....	8,430	8,230	8,220	7,940	7,420	7,540	490	810	680	5.8	9.8	8.3
Sanford.....	15,570	15,160	15,330	15,110	14,630	14,580	460	530	750	3.0	3.5	4.9
Sebago Lakes Region.....	12,300	11,320	11,620	11,970	10,990	11,260	330	330	360	2.7	2.9	3.1
Skowhegan.....	23,720	23,550	23,000	22,560	21,830	21,190	1,160	1,720	1,810	4.9	7.3	7.9
Southwest Penobscot.....	10,430	9,980	10,550	9,770	9,200	9,780	660	780	770	6.3	7.8	7.3
Waterville.....	22,160	22,260	22,260	21,320	21,160	21,280	840	1,100	980	3.8	4.9	4.4
OTHER												
NEW ENGLAND STATES												
Connecticut.....	1,745.7	1,739.0	1,734.9	1,691.6	1,682.6	1,673.1	54.1	56.4	61.8	3.1	3.2	3.6
Massachusetts.....	3,053.0	3,046.0	3,026.8	2,950.0	2,928.0	2,905.9	103.0	118.0	120.9	3.4	3.9	4.0
New Hampshire.....	583.4	572.8	559.9	569.6	559.4	546.1	13.8	13.4	13.8	2.4	2.3	2.5
Rhode Island.....	518.8	512.3	513.0	498.9	490.4	493.0	19.9	21.9	20.0	3.8	4.3	3.9
Vermont.....	288.8	290.8	290.9	278.8	277.9	276.6	10.0	12.9	14.3	3.5	4.4	4.9
NEW ENGLAND STATES ...	6,756.0	6,715.2	6,685.1	6,532.6	6,463.2	6,424.9	223.4	252.0	260.2	3.3	3.8	3.9
UNITED STATES 4/.....	119,695	118,347	117,587	112,377	111,041	109,165	7,318	7,306	8,422	6.1	6.2	7.2

MSA-Metropolitan Statistical Area

Footnotes

1/ Labor force, employment, and unemployment data for all areas not seasonally adjusted. Estimates made independently for each labor market area have been benchmarked to and extrapolated from the Current Population Survey estimates for the state. All data adjusted to place of residence basis. Excludes members of the Armed Forces.

2/ Current and last month figures preliminary; year ago figures revised.

3/ Kittery-York is the eight-town Maine portion of the Portsmouth-Dover-Rochester MSA which includes towns in both Maine and New Hampshire.

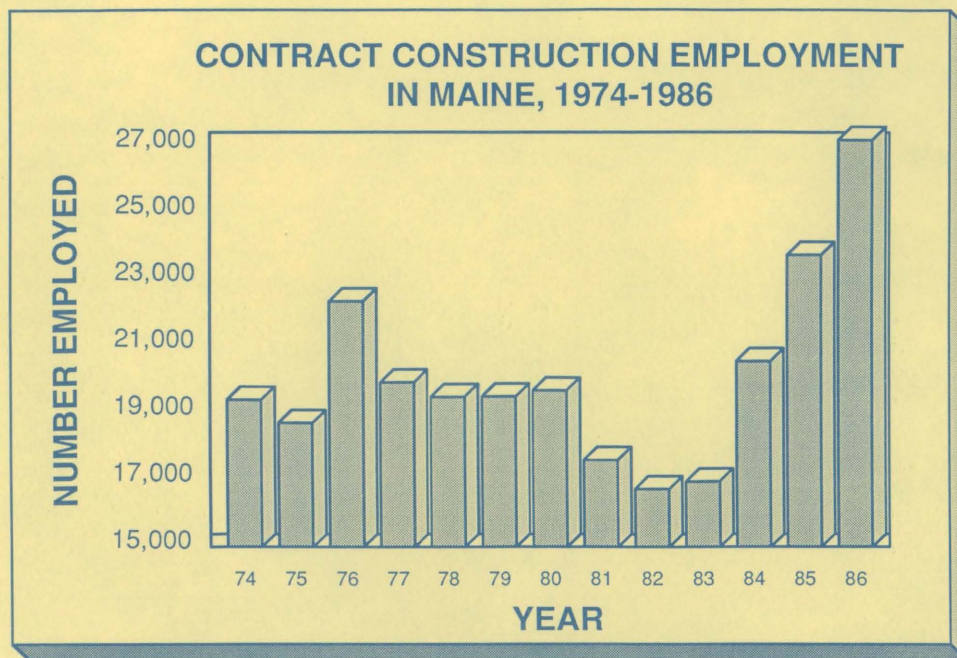
4/ National estimates based on a sample of household visits; state estimates based on enlargements of employment figures reported.

THESE DATA ARE DEVELOPED BY THE MAINE BUREAU OF EMPLOYMENT SECURITY IN COOPERATION WITH THE U.S. BUREAU OF LABOR STATISTICS.

Mid-Month Insured Unemployment (Less Partial)

ITEM	STATEWIDE			PORTLAND MSA			LEWISTON-AUBURN MSA		
	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago
Number of Continued-Week Claimants.....	6,550	8,938	9,019	735	861	864	650	739	789
Insured Unemployment Rate *.....	1.4	1.9	2.0	0.7	0.8	0.8	1.8	2.1	2.2

* Should not be confused with insured unemployment rates as defined in the Employment Security Law.



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"For Qualified Workers Contact Your Local
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Labor Market Information Services

